



Financial Planning Committee Agenda

Date: Wednesday, May 31, 2023
Time: 10:00 am - 3:00 pm
Location: Electronic Zoom Meeting

Pages

1. **CALL TO ORDER**
2. **AGENDA**
 - 2.1 **Review of the Agenda**

Late items, new items and re-ordering of the agenda
 - 2.2 **Approval of Agenda**
3. **PUBLIC COMMENT PERIOD**
4. **DELEGATIONS**

None.
5. **CORRESPONDENCE**

None.
6. **ADMINISTRATIVE COORDINATION**
 - 6.1 **Draft Minutes of Previous Meetings**

For review and approval

 - 6.1.1 **Financial Planning Committee Minutes of February 14 & 15, 2023** 3 - 11
 - 6.1.2 **Financial Planning Committee Minutes of April 6, 2023** 12 - 16
 - 6.2 **Resolutions Without Meeting**

None.
 - 6.3 **Follow up Action List** 17 - 23

For review
7. **BUSINESS - WORK PROGRAM ITEMS**

7.1	Draft March 31, 2023 Financial Results - RFD	24 - 35
	That Financial Planning Committee forward the Draft March 31, 2023 Financial Results to Trust Council for approval.	
7.2	Budget Impact of Approved 2023/24 BCGEU Wage Increases - BRF	36 - 37
7.3	Budget Cycle Timelines 2024-25 - BRF	38 - 39
	For discussion.	
7.4	Corporate Planning Process: FPC Working Group - Update	
	Verbal update from working group & Governance Committee	
8.	BUSINESS - OTHER	
8.1	Annual Report: Financial Planning Committee Section - RFD	40 - 43
	That Financial Planning Committee approve the attached text for inclusion in the 2022/23 Annual Report for approval by Trust Council and submission to the Minister of Municipal Affairs.	
8.2	Appointment to the Audit Committee - RFD	44 - 45
	That Financial Planning Committee appoint Trustee Harris to the Audit Committee for the 2022 to 2026 term.	
9.	BUSINESS - NEW	
10.	WORK PROGRAM - RFD	46 - 49
	That Financial Planning Committee approve the proposed Work Program as presented, and forward it to Trust Council for approval.	
11.	NEXT MEETING	
	Wednesday, August 30, 2023, from 10:00 a.m. to 3:00 p.m.	
12.	CLOSED MEETING	
	If desired:	
	That the meeting be closed to the public in accordance with the Community Charter, Part 4, Division 3, s.90, (quote the pertinent section here, for example, (1)(a) personal information about...) and that the recorder and staff [attend/not attend] the meeting.	
13.	RISE AND REPORT	
	If necessary and desired.	
14.	ADJOURNMENT	
	*Approximate time is provided for the convenience of the public only and is subject to change without notice.	



Financial Planning Committee Minutes of Regular Meeting

Date of Meeting: February 14 & 15, 2023

Location: Electronic Meeting

Members Present: Joe Bernardo, Local Trustee (Chair)
Mairead Boland, Local Trustee (Vice Chair)
Tobi Elliott, Executive Committee Representative
Kristina Evans, Trust Programs Committee Representative
David Graham, Local Trustee
Peter Luckham, Executive Committee Representative
David Maude, Executive Committee Representative
Laura Patrick, Regional Planning Committee Representative
Tim Peterson, Executive Committee Representative
Susan Yates, Islands Trust Conservancy Board Representative

Staff Present: Russ Hotsenpiller, Chief Administrative Officer
Julia Mobbs, Director, Administrative Services
Stefan Cermak, Director, Planning Services
Clare Frater, Director, Trust Area Services
David Marlor, Director, Legislative Services
Kate Emmings, Manager, Islands Trust Conservancy
Nancy Roggers, Finance Officer
Robert Barlow, Legislative Services Clerk/Recorder

Others Present: Two members of the public were present.

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 10:43 a.m. on Tuesday February 14, 2023.

2. AGENDA

2.1 Review of the Agenda

The following material was a late item added to agenda item 6.2.1:

- Resolution-without-meeting (FPC RWM 2023-01) to appoint Trustee Yates and rescind Trustee Scott's appointment to the Audit Committee

2.2 Approval of Agenda

By general consent the Committee approved the agenda.

3. PUBLIC COMMENT PERIOD

No member of the public present indicated a wish to speak.

4. DELEGATIONS

None.

5. CORRESPONDENCE

None.

6. ADMINISTRATIVE COORDINATION

6.1 Draft Minutes of Previous Meeting

6.1.1 Financial Planning Committee minutes of January 18, 2023

By general consent the Committee approved the minutes as presented.

6.2 Resolutions Without Meeting

6.2.1 FPC RWM 2023-01 Appoint Trustee Yates and Rescind Trustee Scott's appointment to the Audit Committee

Presented for information as a late item.

6.3 Follow up Action List (FUAL)

The Follow-up Action List was presented for information.

7. BUSINESS – WORK PROGRAM ITEMS

7.1 Q3 Financial Report – Request for Decision

Director Mobbs presented the Request for Decision.

FPC-2023-005 It was **MOVED and SECONDED**, that Financial Planning Committee forward the December 31, 2023 financial report to Trust Council for approval.

CARRIED

7.2 Q3 Financial Forecast - Briefing

Director Mobbs presented the Quarter Three Financial Forecast Briefing for Fiscal Year 2022/2023, indicating that the forecast is not required to be forwarded to Trust Council but historically it has been forwarded for their information. Chair Bernardo indicated a

desire that future financial forecast reports be presented as an RFD with a recommendation to forward the report to Trust Council for information.

FPC-2023-006

It was MOVED and SECONDED,

that Financial Planning Committee forward the Q3 Financial Forecast to the March 31, 2023 Trust Council meeting for information.

CARRIED

7.3 Areas of Overspending - Briefing

Director Mobbs introduced the Areas of Overspending briefing, indicating that policy requires reporting on areas of significant overspending and that legal costs (general and litigation defence) had significant overspending.

7.4 2023/24 Draft Budget Changes Since Last Review - Briefing

Director Mobbs provided highlights of the briefing, indicating that:

- total revenues have increased
- BIM tax levy has decreased
- reduction of fees revenue mostly because of reduced applications
- changes in expenses were driven by the Consumer Price Index, increases for excluded staff salaries, and upgrade to the expense claims system (\$15,000 is for a contractor to implement that upgrade)
- Local Trust Area general tax increase has increased
- as a result of the reviews of their respective budget submissions by Trust Committees and the Islands Trust Conservancy Board, there is a reduction in spending of approximately \$31,000
- budgets for committee meetings has changed to reflect recent decisions by committees of their meeting schedule and format (in-person or electronic)
- a final decision whether to renew or not to renew the lease for the meeting space on Galiano Island will have an impact on the budget
- trustee remuneration has increased
- co-op students are hired as employees, so the cost of their wages is included in the budget for staff salaries and benefits

Committee discussion included potential impacts on the budget of:

- any decision that will be made by Trust Council in regards to the next steps of the Policy Statement Amendment Project
- the number of land use applications received in the year
- adoption by local trust committees of the fee bylaws
- the goals of Financial Planning Committee's review of the draft budget and how to provide a rationale for FPC's recommendations to Trust Council.

Committee recessed at 12:09 a.m. and resumed at 12:45 p.m.

7.5 Budget Materials for Trust Council

Committee discussion continued regarding potential impacts on the budget of:

- historical underspending on projects
- having a more robust corporate planning process, including the connection between the strategic plan and budgeting
- suspending or pausing projects to free up staff time to do other tasks, and to allow the new term of trustees to establish their priorities
- defining the level of taxation that would be acceptable or reasonable or defensible
- using surplus funds as a means to minimize any potential tax increase
- reducing the number of Trust Council in-person meetings
- reducing all projects by a specified percentage

Trustee Peterson left the meeting at 2:44 p.m. and Trustee Graham left the meeting at 2:58 p.m.

Chair Bernardo recessed the meeting at 3:01 p.m. and stated that the meeting would resume electronically on Wednesday, February 15, 2023 at 1:00 p.m.

Chair Bernardo called the meeting to order at 1:00 p.m. on Wednesday February 15, 2023.

The Chair sought consensus from the Financial Planning Committee on aiming to finish the meeting by 2:30 pm.

By general consent the Committee meeting will end at 2:30 p.m.

7.5 Budget Materials for Trust Council - continued

Chair Bernardo conducted an unofficial straw vote to determine which of the budget items listed and discussed previously the Committee wanted to remove from the budget.

The following motions were made to amend the recommended 2023/24 budget:

FPC-2023-007

It was MOVED and SECONDED,

that Financial Planning Committee amend the draft 2023/24 budget that is being recommended to Trust Council by removing the following items:

1. \$27,500 for one in-person Trust Council meeting
2. \$10,000 for the History and Heritage Conservation Grants in Aid.

CARRIED

FPC-2023-008

It was MOVED and SECONDED,

that Financial Planning Committee include an additional draw from the General Revenue Surplus Fund of \$100,000 in the draft 2023/24 budget that is being

recommended to Trust Council and the funds be allocated to Local Trust Committee projects.

CARRIED

7.5.1 Draft Budget Session Outline

Director Mobbs introduced the agenda item, indicating that significant changes requested by the Financial Planning Committee would need to be sent to the Executive Committee for approval of Trust Council agenda amendment.

7.5.2 Draft Budget Assumptions and Principles - Briefing

Director Mobbs introduced the briefing, indicating that recent changes to assumptions and principles are reflected in blue font for ease of Trust Council review.

7.5.3 Draft Budget 2023/24 Overview- Briefing

Director Mobbs stated that she would update the document to reflect the decisions of the Committee prior to the budget material being forwarded to Trust Council.

By general consent the budget material for Trust Council will be updated to describe the historical underspending on projects separated by Local Trust Committee projects, strategic plan projects and operational projects.

FPC-2023-009

It was MOVED and SECONDED,

that Financial Planning Committee forward the budget materials at agenda item 7.5 as amended to Trust Council for approval.

CARRIED

7.6 Special Tax Requisition Request - RFD

Director Mobbs indicated that the Salt Spring Island (SSI) Local Trust Committee has submitted a request for the continued work of the Salt Spring Island Watershed Protection Alliance (SSIWPA) to be funded via special tax requisition of \$43,500. Legislation requires that if a special tax requisition levy is requested that it be applied to all areas within the local trust area.

7.6.1 Public Feedback on SSIWPA

Director Frater described the public feedback process and noted that Islands Trust received 140 survey responses and 4 emails and also noted that 30% of responses received were from Piers Island.

FPC-2023-010

It was MOVED and SECONDED,

that Financial Planning Committee recommend to Trust Council that the Salt Spring Island Local Trust Committee's request for a 2023/24 special tax requisition to fund work associated with delegated powers under Bylaw No. 154 be approved in the amount of \$43,500.

CARRIED

7.7 Ministry Bylaws for Trust Council

7.7.1 Financial Plan Bylaw – Request for Decision

FPC-2023-011

It was MOVED and SECONDED,

that Financial Planning Committee forward Bylaw 191 (Financial Plan Bylaw 2023-2024) to Trust Council for approval.

CARRIED

7.7.2 Revenue Anticipation Borrowing Bylaw – Request for Decision

Director Mobbs spoke to the Request for Decision, noting that Islands Trust has not had to borrow money for a number of decades.

FPC-2023-012

It was MOVED and SECONDED,

that Financial Planning Committee forward Bylaw 192 (Revenue Anticipation Borrowing Bylaw 2023-2024) to Trust Council for approval.

CARRIED

7.8 Property Tax Assessment Notice Insert - Briefing

Director Frater presented the briefing, indicating that for the last two years Islands Trust has submitted an insert to the Province that is included with tax notices that are mailed out by the Province. Committee suggestions to include the following topics with this year's insert:

- advertise the Natural Area Protection Tax Exemption Program (NAPTEP)
- support participation in Trust meetings by adding information about how to do that
- promote subscriber service availability to provide notices of meetings
- add "in co-operation with other agencies" language to the statements about Islands Trust mandate
- add an explanatory section on how to read the tax notice

By general consent any interested trustee can work directly with Director Frater to discuss the contents of the Property Tax Assessment Notice Insert.

Chair Bernardo asked the Committee whether extending the meeting to 3:00 p.m. was agreeable.

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By general consent the Committee extended the end time of the meeting to 3:00 p.m.

7.9 Release of Draft 2023/24 Budget – Motion by Trustee Evans

Trustee Evans suggested that the draft budget be provided to the public by news release that includes the highlighted major drivers of changes, such as staff wage increases, and that at each quarter a news release would show the comparison of the budget with actual spending.

Committee discussion included a suggestion that any such draft budget news release would make it clear how the public could provide their comments about the draft budget.

Trustee Peterson left the meeting at 2:29 p.m. and Trustee Yates left the meeting at 2:31 p.m.

FPC-2023-013

It was MOVED and SECONDED,

that Financial Planning Committee request the draft budget to be released via a news release in-lieu of public consultation.

CARRIED

FPC-2023-014

It was MOVED and SECONDED,

that Financial Planning Committee request that the Executive Committee authorize the inclusion of the quarterly financial results in the Trust Council Highlights News Release on an on-going basis.

CARRIED

8. BUSINESS – OTHER

8.1 Electronic Meetings and Staff Time - Briefing

Director Cermak presented the Electronic Meetings and Staff Time Briefing, noting that it was forwarded from the Denman Island Local Trust Committee to the Financial Planning Committee for information.

8.2 Request from Governance Committee - Briefing

As a member of the Governance Committee, Chair Bernardo indicated that the Governance Committee has resolved to explore corporate planning and has asked staff to work with the Financial Planning Committee and, as required, other standing committees to develop an outline of a corporate planning process that meets best practices for enterprises of a size and character similar to the Islands Trust and return to the Governance Committee with its findings by April 14, 2023.

FPC-2023-015

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It was MOVED and SECONDED,
that Financial Planning Committee appoint trustees Patrick, Boland and Evans to serve as a working group to assist staff in outlining a corporate planning process.

CARRIED

FPC-2023-016

It was MOVED and SECONDED,
that Financial Planning Committee schedule a special meeting to be held virtually on April 6, 2023, at which the agenda will be limited to receiving and considering the working group and staff's joint report on the work conducted to date in regards to a corporate planning process.

CARRIED

9. BUSINESS – NEW

None.

10. WORK PROGRAM

10.1 Work Program Update – Request for Decision

Chair Bernardo indicated that the Work Program update is to be forwarded to Trust Council.

11. NEXT MEETING

A special meeting on April 6, 2023 is to be conducted electronically as per agenda item 8.2.

The next regular meeting is scheduled for Wednesday, May 31, 2023, from 10:30 a.m. to 3:00 p.m. to be conducted electronically. It was noted that the Audit Committee will meet on the same day from 9:30 a.m. to approximately 10:30 a.m.

12. CLOSED MEETING

The Committee did not close the meeting.

13. RISE AND REPORT

There was no Rise and Report.

14. ADJOURNMENT

By general consent the meeting adjourned at 2:57 p.m.

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Trustee Bernardo, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder

Minutes are not official until adopted at a subsequent meeting.

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Financial Planning Committee Minutes of a Special Meeting

Date of Meeting: April 6, 2023
Location: Electronic Meeting

Members Present: Joe Bernardo, Local Trustee (Chair)
Mairead Boland, Local Trustee (Vice Chair)
Tobi Elliott, Executive Committee Representative
Kristina Evans, Trust Programs Committee Representative
David Graham, Local Trustee
Peter Luckham, Executive Committee Representative
David Maude, Executive Committee Representative
Laura Patrick, Regional Planning Committee Representative
Tim Peterson, Executive Committee Representative
Susan Yates, Islands Trust Conservancy Board Representative

Staff Present: Russ Hotsenpiller, Chief Administrative Officer
Julia Mobbs, Director, Administrative Services
Stefan Cermak, Director, Planning Services
Clare Frater, Director, Trust Area Services
David Marlor, Director, Legislative Services
Robert Barlow, Legislative Services Clerk/Recorder

Others Present: No member of the public was present.

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 10:00 a.m. and acknowledged that all participants were meeting on lands and waters that have been the traditional home of indigenous peoples since time immemorial.

2. AGENDA

2.1 Review of the Agenda

The Chair stated that the purpose of the special meeting was to consider the report on the work conducted to date in regards to what the Financial Planning Committee (FPC) working group and staff have developed regarding the Governance Committee initiative to develop an outline of a corporate planning process for Islands Trust.

No new or late items were presented.

2.2 Approval of Agenda

By general consent the Committee approved the agenda as presented.

3. BUSINESS

3.1 The Strategic Planning Process – Draft Discussion Paper

Trustee Evans presented the discussion paper, stating that the working group reviewed strategic plans and best practices from various other local governments. Trustee Evans presentation included:

- the need to identify Islands Trust vision, mission, values, goals, projects and milestones as key concepts in a corporate planning process
- the important link between strategic planning and the budget process
- the need for individual trustees, other standing committees, and staff to be fully engaged with developing a corporate planning process

3.2 Structure Decision-making - Briefing

CAO Hotsenpiller presented the Briefing, indicating that it is a companion piece to the draft discussion paper and that it provides an outline of the need to develop a process of structured decision-making at the Islands Trust, in support of development of an overall corporate plan.

Committee discussion ensued, and included:

- a corporate plan would be consistently refined as it responds to new information, events and decisions
- the differences between the private and public sectors, including the number of decision makers involved in any particular significant decision
- the impact of unexpected direction from senior government, such as the requirement to create riparian areas regulations (in the past) or the development of the Accessible British Columbia Regulation (in September, 2022)
- the impact of grants being received that may require focus of resources within a set timeframe, such as the Species at Risk federal funding received by Islands Trust
- staff would need to assess how to implement any planning framework that trustees develop
- the term “strategic plan” has different meanings in different contexts
- a need for planning broader than what is currently done
- a need for decision making faster than what is currently done
- estimating staff time required to complete a particular project would be a new task and likely would require practice before estimations became relatively accurate
- current process allows individual trustees to bring forward individual projects for discussion at Trust Council without much staff review or review by Trust Council committees prior to presentation at Trust Council
- a new corporate planning process would require endorsement by and training of all trustees to be successful

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- development of and implementation of a new corporate planning process may be a long-term project
- the scope of a new planning process may range from being narrow (such as the current strategic plan process) to broad (to include all aspects of the budget)
- the implementation of a corporate planning framework would require itself to be a strategic project
- some operational work is required (not an option), such as an annual financial audit
- a new Trust Council committee may be required to administer a new corporate planning process
- the need to avoid micro-managing operational expenses
- Islands Trust is both simpler than local governments that provide a wide variety of services to their residents and also more complicated because of the governance structure of local trust committees (and their respective OCPs and Land Use Bylaws) and the Trust Council and its various committees
- the need for trustees to understand the implications on staff resources when making decisions about projects and their priorities
- the need to manage projects that extend beyond one year or beyond one term
- trustees of a new term are able to reject part of or wholly an “inherited” strategic plan
- an examination of policies that relate to decision making may be required
- developing a clear mission, vision and values may be a useful initial step in developing or implementing a new corporate planning process
- clarifying the difference between strategic and operational planning may be another useful initial step

Committee recessed at 12:14 p.m. and returned at 1:05 p.m.

Committee discussion continued:

- the Executive Committee has responsibility for managing the strategic plan and the Financial Planning Committee has responsibility for monitoring the budget
- options for managing a transition to a new corporate planning process may include:
 - identifying which parts of the current strategic planning process would remain as part of a new corporate planning process
 - using one strategic initiative as an example to demonstrate to or train trustees in a new or potential corporate planning process
- action from the meeting’s discussion may be premature as other issues may need to be addressed such as clarifying the strategic planning process for the current year, the budget for the next fiscal year, and the strategic planning process for future years
- a goal setting phase of discussions needs to be separate from an implementation phase
- the possibility of suggesting to the Executive Committee and/or to the Trust Council that a SWOT (Strengths Weaknesses Opportunities Threats) Analysis be used in the current Strategic Planning development

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- as the Governance Committee requested input from the FPC, that likely would need to be provided before any action taken to advance a potential new corporate planning process
- FPC can make recommendations to Trust Council of changes to the budget development process

Committee recessed at 1:46 p.m. and returned at 1:50 p.m.

FPC-2023-017

It was **MOVED** and **SECONDED**,

that the Financial Planning Committee (FPC) working group and staff report to the Governance Committee (GC):

- the FPC's request that the GC develop a draft mission or values statement in keeping with the trust mandate;
- on the working group and staff's work done to date in developing a corporate planning process;
- the FPC's recommendation that this joint initiative with the GC continue to be developed by the working group and staff;
- the FPC's recommendation that the Executive Committee be asked to include an external scan and SWOT analysis into this year's strategic planning process and aim to identify high level goals for the June Trust Council meeting;
- the FPC's request that the continuing work on the initiative after receipt of the GC's comments on the work done to date:
 - include staff's analysis of the potential operational implications of instituting a comprehensive corporate planning process that, in particular, specifically addresses budgeting;
 - identify the key differences between the current strategic planning and budgeting processes and the corporate planning process under development;
 - identify such policy changes as may be required to institute a trustee decision making structure appropriate for a corporate planning process that unites strategic and budgetary planning;
 - include a proposal for trustee training on the corporate planning process; and
- the FPC's recommendation that the working group and staff present FPC and GC with an implementation proposal by a date certain.

CARRIED

By general consent Financial Planning Committee requested the above resolution to be sent to all members of the Committee, to the Executive Committee, and to the Chairs of all standing committees (that is, the Regional

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Planning Committee, Trust Programs Committee and the Governance Committee) for their information.

4. NEXT MEETING

The next regular meeting is scheduled for Wednesday, May 31, 2023, from 10:30 a.m. to 3:00 p.m. to be conducted electronically. It was noted that the Audit Committee will meet on the same day from 9:30 a.m. to approximately 10:30 a.m.

5. ADJOURNMENT

By general consent the meeting adjourned at 2:53 p.m.

Trustee Bernardo, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder

Minutes are not official until adopted at a subsequent meeting.

Follow Up Action Report

Financial Planning Committee

16-Feb-2022

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee request staff to explore option A for Building Permit Review cost recovery.	Russ Hotsenpiller	Target: 31-May-2023	In Progress

31-May-2022

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee recommend to the future FPC that options regarding legislative changes to support a revised distribution of special property tax requisition within a Trust Area be explored.	Clare Frater	Target: 30-Aug-2023	In Progress

12-Oct-2022

Activity	Responsibility	Dates	Status
1 Re: Reserves and Surplus Policy: that Financial Planning Committee request staff to investigate possible language changes to TC Policy 6.5.1 Reserves and Surplus to ensure that it does not violate best practices related to use of surplus funds to fund operating expenses.	Julia Mobbs	Target: 30-Aug-2023	In Progress

Follow Up Action Report

Financial Planning Committee

12-Oct-2022

Activity	Responsibility	Dates	Status
<p>2 Re: Special Tax Requisition Policy: that Financial Planning Committee recommend that TC Policy 6.3.2 Special Property Tax Requisitions section 3.1 be amended to read 'The Islands Trust Council will evaluate and consider including a Local Trust Committee's local initiative program or service or program in the preliminary Islands Trust's general budget based on the following criteria:'.</p>	Julia Mobbs	Target: 30-Aug-2023	In Progress
<p>3 Re: Special Tax Requisition Policy: that Financial Planning Committee forward the proposed amendments to TC Policy 6.3.2 Special Property Tax Requisitions to Trust Council.</p>	Julia Mobbs	Target: 30-Aug-2023	In Progress
<p>4 Re: Trustee Remuneration Policy: that Financial Planning Committee request staff to bring back an amended Trust Remuneration Policy that includes consideration of an independent remuneration review by either task force or consultant once per trustee term, at least one year before the end of term.</p>	Julia Mobbs	Target: 30-Aug-2023	In Progress
<p>5 Re: Trustee Remuneration Policy: that Financial Planning Committee request staff to bring back an amended Trustee Remuneration Policy that includes consideration of the improvement opportunities identified in Appendix A: Assessment of UBCM elected official and board remuneration guide and Trust Council Policy 7.2.1 Trustee Remuneration.</p>	Julia Mobbs	Target: 30-Aug-2023	In Progress

Follow Up Action Report

Financial Planning Committee

18-Jan-2023

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee request staff to investigate policy regarding FPC membership with respect to Council Standing Committee appointments, and report back to Trust Council with recommendations for policy amendments.	David Marlor	Target: 31-May-2023	Completed
2 Director Frater spoke to options regarding legislative changes to support a revised distribution of special property tax requisitions within a Trust Area and indicated that it is likely to be later in the year when she can provide those options to the Committee.	Clare Frater	Target: 31-May-2023	Completed

14-Feb-2023

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee forward the December 31, 2023 financial report to Trust Council for approval.	Julia Mobbs	Target: 17-Feb-2023	Completed
2 that Financial Planning Committee forward the Q3 Financial Forecast to the March 31, 2023 Trust Council meeting for information.	Julia Mobbs	Target: 17-Feb-2023	Completed

15-Feb-2023

Activity	Responsibility	Dates	Status
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Follow Up Action Report

Financial Planning Committee

15-Feb-2023

Activity	Responsibility	Dates	Status
<p>1 that Financial Planning Committee amend the draft 2023/24 budget that is being recommended to Trust Council by removing the following items:</p> <ol style="list-style-type: none"> 1. \$27,500 for one in-person Trust Council meeting 2. \$10,000 for the History and Heritage Conservation Grants in Aid. 	Julia Mobbs	Target: 17-Feb-2023	Completed
<p>2 that Financial Planning Committee include an additional draw from the General Revenue Surplus Fund of \$100,00 in the draft 2023/24 budget that is being recommended to Trust Council and the funds be allocated to Local Trust Committee projects.</p>	Julia Mobbs	Target: 17-Feb-2023	Completed
<p>3 the budget material for Trust Council will be updated to describe the historical underspending on projects separated by Local Trust Committee projects, strategic plan projects and operational projects.</p>	Julia Mobbs	Target: 17-Feb-2023	Completed
<p>4 that Financial Planning Committee forward the budget materials at agenda item 7.5 as amended to Trust Council for approval</p>	Julia Mobbs	Target: 17-Feb-2023	Completed
<p>5 that Financial Planning Committee recommend to Trust Council that the Salt Spring Island Local Trust Committee's request for a 2023/24 special tax requisition to fund work associated with delegated powers under Bylaw No. 154 be approved in the amount of \$43,500.</p>	Julia Mobbs	Target: 17-Feb-2023	Completed
<p>6 that Financial Planning Committee forward Bylaw 191 (Financial Plan Bylaw 2023-2024) to Trust Council for approval.</p>	Julia Mobbs	Target: 17-Feb-2023	Completed

Follow Up Action Report

Financial Planning Committee

15-Feb-2023

Activity	Responsibility	Dates	Status
7 that Financial Planning Committee forward Bylaw 192 (Revenue Anticipation Borrowing Bylaw 2023-2024) to Trust Council for approval.	Julia Mobbs	Target: 17-Feb-2023	Completed
8 any interested trustee can work directly with Director Frater to discuss the contents of the Property Tax Assessment Notice Insert.	Clare Frater	Target: 31-Mar-2023	Completed
9 that Financial Planning Committee request the draft budget to be released via a news release in lieu of public consultation.	Clare Frater	Target: 27-Feb-2023	Completed
10 that Financial Planning Committee request that the Executive Committee authorize the inclusion of the quarterly financial results in the Trust Council highlights News Release on an on-going basis.	Lori Foster Russ Hotsenpiller	Target: 31-May-2023	Completed
11 that Financial Planning Committee appoint Trustees Patrick, Boland and Evans to serve as a working group to assist staff in outlining a corporate planning process.	Julia Mobbs Russ Hotsenpiller	Target: 06-Apr-2023	Completed
12 that Financial Planning Committee schedule a special meeting to be held virtually on April 6, 2023, at which the agenda will be limited to receiving and considering the working group and staff's joint report on the work conducted to date in regards to a corporate planning process.	Robert Barlow	Target: 01-Mar-2023	Completed

06-Apr-2023

Activity	Responsibility	Dates	Status
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Follow Up Action Report

Financial Planning Committee

06-Apr-2023

Activity	Responsibility	Dates	Status
<p>1 that the Financial Planning Committee (FPC) working group and staff report to the Governance Committee (GC):</p> <ul style="list-style-type: none"> - the FPC's request that the GC develop a draft mission or values statement in keeping with the trust mandate; - on the working group and staff's work done to date in developing a corporate planning process; - the FPC's recommendation that this joint initiative with the GC continue to be developed by the working group and staff; - the FPC's recommendation that the Executive Committee be asked to include an external scan and SWOT analysis into this year's strategic planning process and aim to identify high level goals for the June Trust Council meeting; - the FPC's request that the continuing work on the initiative after receipt of the GC's comments on the work done to date: <ul style="list-style-type: none"> o include staff's analysis of the potential operational implications of instituting a comprehensive corporate planning process that, in particular, specifically addresses budgeting; o identify the key differences between the current strategic planning and budgeting processes and the corporate planning process under development; o identify such policy changes as may be required to institute a trustee decision making structure appropriate for a corporate planning process 	<p>Lori Foster Russ Hotsenpiller</p>	<p>Target: 17-Apr-2023</p>	<p>Completed</p>

Follow Up Action Report

Financial Planning Committee

06-Apr-2023

Activity	Responsibility	Dates	Status
<p>that unites strategic and budgetary planning; o include a proposal for trustee training on the corporate planning process; and - the FPC's recommendation that the working group and staff present FPC and GC with an implementation proposal by a date certain.</p>			
<p>2 Financial Planning Committee requested that resolution 2023-17 [that the Financial Planning Committee (FPC) working group and staff report to the Governance Committee (GC) etc.] to be sent to all members of the Committee, to the Executive Committee, and to the Chairs of all standing committees (that is, the Regional Planning Committee, Trust Programs Committee and the Governance Committee) for their information.</p>	Robert Barlow	Target: 07-Apr-2023	Completed

To: Financial Planning Committee

For the Meeting of: May 31, 2023

From: Administrative Services

Date Prepared: May 25, 2023

SUBJECT: DRAFT MARCH 31, 2023 FINANCIAL RESULTS

RECOMMENDATION:

That Financial Planning Committee forward the Draft March 31, 2023 Financial Results to Trust Council for approval.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

1 PURPOSE:

To provide a high-level analysis of the unaudited draft financial results for the fiscal year ending March 31, 2023, with a focus on annual spending against the annual approved budget. The financial statement audit is scheduled to take place mid-July 2023, after which a full financial statement package with notes will be circulated to Financial Planning Committee and Trust Council. The draft financial results presented in this report will be updated between now and audit fieldwork for the following:

- Implementation of new accounting standards on Asset Retirement Obligations is expected to increase expenses and liabilities, and reduce general surplus balances.
- Recognition criteria for funds received from the province as part of the new Local Government Climate Action Program will determine if funds may be recognized when received, which may increase revenues and general surplus balances.

2 BACKGROUND:

That **statement of financial position** presents a snap shot in time of the Islands Trust financial state, reflecting values of assets, liabilities and accumulated surplus as at the fiscal year-end date, March 31, 2023. Significant year over year changes in balances reflected on this statement are as follows:

Cash and equivalents: Reduction of \$1.8M over the previous year, due to more funds invested in longer term investments at year-end 2022 versus year-end 2023. In 2022, interest rates offered on Trust bank accounts were higher than longer-term investments and as such more funds were retained as cash than placed in short-term investment vehicles.

Accounts Receivable: Increase of \$109,000 over the previous year, due primarily to approval of \$150,000 in new provincial grant funds for First Nations engagement work.

Investments: Increase of \$1.5M over the previous year, due to more funds held in longer-term investments at year-end.

Accounts payable and accrued liabilities: Reduction of \$67,000 over the previous year due primarily to timing of payables. In the prior year, significant payables associated with completion of work related to freshwater sustainability and the policy statement project deliverables were included in year-end payables that are not present in the current year payables.

Wages and Benefits payable: Reduction of \$150,000 over the previous year due to one less pay period included in payables at year end in the current year versus prior year.

Deferred Revenue: Increase of \$61,000 over the previous year due primarily to:

- Receipt of \$38,000 in new grant funds dispersed under the Local Government Climate Action Program, and
- Receipt of \$34,000 in new grant funds for First Nations eco-cultural mapping, accepted by Islands Trust on behalf of the Institute of Multidisciplinary Ecological Research in the Salish Sea.

Employee Benefits Obligations: Decrease of \$48,000 over the previous year due primarily to payouts of overtime and vacation banks to staff who retired or left Islands Trust in the year.

Obligations under capital lease: Increase of \$26,000 over the previous year due to renewed office equipment leases signed in the year.

Tangible capital assets: Reduction of \$50,000 over the previous year primarily due to amortization of assets in use throughout the year.

The Islands Trust consolidated **statement of financial operations** represents financial activities that have taken place over the course of the fiscal year. Financial operations for the fiscal year ending March 31, 2023 resulted in a reduction to accumulated surplus of \$75,045 for Islands Trust, broken down as follows:

~ Reduction in amounts invested in tangible capital assets	(75,719)
~ Contribution to general revenue fund	60,681
~ Contribution to LTC project specific reserve fund	(3,116)
~ Draw from Special Property Tax Requisition fund	(56,892)

Details of the actual activities and transfers between funds leading to these fund balance changes is outlined in this report.

The total accumulated surplus balance as of March 31, 2023 is \$2.5M. This accumulated surplus balance consists of the following balances by fund:

	2023	2022
Invested in tangible capital assets	\$ 193,163	\$ 268,882
General Revenue Fund	2,239,258	2,091,376
Local Trust Committee Project Specific Reserve Fund	102,751	105,867
Special property tax requisition fund	40,815	97,707
Accumulated Surplus	\$ 2,488,787	\$ 2,563,832

Amounts invested in tangible capital assets represent funds spent on capital assets that are not yet fully amortized, and thus not fully expensed through the Statement of Operations. This results in balances in accumulated surplus that are not readily accessible given they are tied up in non-financial assets. The change in this balance represents assets purchased in the year, less annual amortization expense, losses on disposal (if any) and amounts owing under capital lease. This balance decreased by \$75,719 in the

fiscal year, due mainly to amortization expense recognized on purchased assets in use less asset additions.

The General Revenue fund increased by \$17,082 due to underspending against budget, as well as the impact of activities associated with amounts invested in tangible capital assets.

The LTC Project Specific Reserve Fund balance increased by \$40,484. This reflects a transfer to the fund in the year of \$100,000 from the general fund (per the approved financial plan bylaw), less spending on LTC projects of \$103,116.

The Special Property tax requisition Fund (SSIWPA) decreased by \$56,892. This reflects the addition of the approved \$60,000 special tax requisition less SSIWPA spending of \$116,892.

CONSOLIDATED REVENUES

Total reported revenue is lower than budget by approximately \$2,600 (nil %) due to the following:

Property tax revenues, both general and special, from local trust areas and Bowen Island Municipality were fully received in the year, thus no variations from budget are noted.

Government transfers relates to funds received and recognized from other governing bodies, mainly within provincial and federal government. These transfers totaled approximately \$674,000 in the year, representing various grants received and spent. Total transfers were lower than budget by \$17,000 (11%) due primarily to underspending of funds related to the provincial LG Development Applications Approvals Program (\$173,000), which was offset by new unanticipated funds received for:

- Government of Canada's Species at Risk program (\$25,000 increase)
- BC Investment Agriculture Foundation grant for the Denman Island Farm Plan (\$7,500)
- Transport Canada Community Participation Funding Program (\$2,000), and

Fees and Sales revenues from land-use applications were approximately \$82,000 (25%) lower than budgeted, due primarily to less development permit applications than anticipated at budget time, indicating a slowdown in application volumes.

Investment income was approximately \$157,000 higher than budgeted due to higher than anticipated interest rates during this fiscal year. The approved budget anticipated lower interest rate recoveries due to low interest rate during the pandemic. However interest rates increased significantly this fiscal year and remained high, resulting in substantially higher earnings in this area than planned.

Other income primarily reflects smaller grants recognized in the year and NAPTEP fees received. The \$450 reported in the year relates to NAPTEP fees.

CONSOLIDATED EXPENSES

Total expenses in the financial statements is reported at \$8.7M which includes amortization expense and excludes capital spending that has been capitalized as tangible capital assets on the Statement of Financial Position, in accordance with Public Sector Accounting Standards. This is not the same methodology used to develop the budget, which treats capital spending as an expense. To adjust reported expenses to reflect a proper basis of comparison, we adjust as follows:

Total expenses per March 31, 2022 financial statements	\$8,811,282
Plus actual spending on capitalized assets	83,248
Total for budget comparison purposes	\$8,894,530

Vs. Total approved budget	9,302,357
Over (under) budget	(\$ 407,827)

Total actual spending was lower than budget by approximately \$408,000 (4.4%) due mainly to underspending in salaries and benefits due to staff vacancies in planning and bylaw services (\$340,000) and Trust Area Services (\$48,000) as well as underspending on projects due to delays in completion of work (\$305,000).

A breakdown of comparison between approved budget to actual results, by functional area, is as follows:

TRUST COUNCIL SERVICES

Council expenses include costs related to three main areas (outlined below) plus as an allocation of administrative expenses. Total expenses in this area came in lower than budget by approximately \$5,000 (0.3%).

Trust Council (TC) costs are comprised of TC meeting costs, Council committee costs (LPC, TPC, FPC, GC), elections and by-elections costs, insurance premiums associated with Council work, general legal costs relating to Trust Wide issues, memberships and training for trustees associated with their Council work, Trust Council portion of trustee remuneration and benefits, and trust council projects for the governance management and operations review.

Trust Council spending was higher than budget by approximately \$37,000 (8%) due mainly to:

- Overspending on Trust Council and Council Committee meetings
- Higher than anticipated costs of local elections
- Higher than anticipated legal opinion costs

Executive Committee (EC) costs are comprised of applications sponsored by EC, NAPTEP applications sponsored by EC, EC meeting expenses, EC mobile device costs, training, travel and conferences for EC members, and the EC portion of trustee remunerations and benefits.

Executive Committee costs were higher than budget by approximately \$7,000 (6%) due mainly to the number of applications sponsored by EC and for travel to conferences for EC members.

Trust Area Services (TAS) costs are comprised of grants in aid for history and heritage, trust-wide communications costs, contracted TAS services, legal costs relating to TC issues, memberships, subscriptions, mobile devices, training, travel, salaries and benefits for TAS staff, Policy Statement Review project costs, Secretariat Function project costs, Stewardship Education project costs, and Reconciliation project costs.

TAS expenses were lower than budget by approximately \$71,000 (12%) due to the following:

- Underspending on salaries and benefits (\$48,000, 10%) due primarily to the full year vacancy in the Senior Intergovernmental Policy Advisor position. This overspend is partially offset by staff overtime costs associated with policy statement review as well as higher than budgeted staff wage increases in the year.
- Underspending in Communications (\$17,000, 36%) due to project delays (website improvements/census data infographics) resulting from the partial year vacancy in the communications specialist role.
- Underspending on the Trusts' Reconciliation Action Plan (\$5,000, 40%) due primarily to the vacancy in the Senior Intergovernmental Policy Advisor position that oversees the reconciliation action plan program spending.

LOCAL TRUST COMMITTEE SERVICES

Local Trust Committee expenses include costs related to five main areas (outlined below) plus as an allocation of administrative expenses. Total expenses in this area came in lower than budget by approximately \$524,000 (-8%).

Local Trust Committee costs are comprised of the LTC-engaged First Nation protocol funds, rent, phone, internet and office service for on-island trustee offices, the trustee portion of insurance costs, general legal costs, bylaw enforcement legal costs, legal litigation costs, statutory notices, trustee expenses, Executive expenses for travel to chair meetings of the LTC, LTC and APC meeting expenses, LTC communications and special project expenses, LTC statutory notices, and the LTC portion of trustee remuneration and benefits.

Local Trust Committee expenses were higher than budget by approximately \$109,000 (14%) due primarily to:

- Overspending on legal general costs associated with LTC bylaw interpretation (\$17,000)
- Overspending on legal litigation costs associated with new claims against LTCs (\$104,000)
- Underspending on legal costs associated with bylaw enforcement (\$15,000) due to delays in bylaw enforcement cases as a result of bylaw staff vacancies

Projects costs are comprised of all LTC projects, Heritage Overlay Mapping project costs, Housing Initiative project costs, Groundwater Recharge Mapping project costs, Local Government Development Approvals project costs, and includes all SSIWPA expenses.

LPS project spending was less than budget by approximately \$302,000 (38%) due mainly to:

- Underspending on the Groundwater Recharge Mapping (\$14,000) due to a change in plans to procure access to provincial water data via a secure portal.
- The Heritage Overlay Mapping project (\$74,000) was not advanced in the year due to an identification that deeper relationships are required with First Nations for the project to proceed.
- Underspending on the Local Government Development Approvals project (\$173,000) due to delay in the project start. The remaining work for this project is planned and budgeted for in the fiscal 2024 budget. This project is funded by a grant.
- Underspending on SSIWPA activities (\$12,000) as a result of First Nations engagement plans not proceeding on the Watershed Protection Plan project due to the vacant SIPA position, combined with savings on the Weston Lake project due to lower than anticipated project costs.
- Combined underspending on smaller LTC projects of \$33,000 due primarily to staff vacancies in planning services delaying the proceeding of projects, as well as new trustees taking time to be oriented to their roles after elections.

Planning staff costs are comprised of all salaries, benefits, training, and travel costs associated with Planning Services (PS) staff or contractors used to cover staff vacancies. Planning staff costs were lower than budget by approximately \$304,000 (11%) due mainly to:

- Underspending on PS salaries and benefits of \$306,000 due to the following staff vacancies:
 - Four month vacancy in the Director, Planning Services position
 - Full year vacancy in the Senior Intergovernmental Policy Advisor position (50% of the cost for this role is charged to Planning Services)
 - Three month vacancy in the northern office Regional Planning Manager position
 - Eight month vacancy in one northern office Island Planner position
 - A northern office Island Planner moving a full-time schedule to 0.6FTE hours
 - Five month vacancy in one Salt Spring office Island Planner position while they were acting in the Regional Planning Manager position

- Ten month vacancy in the Salt Spring office for Planner 1 position
- 7 month vacancy in the Salt Spring office for a Planner 2 position where these reduced costs were partially offset by hiring a temporary Planning Technician for six month.
- Underspending on contract services of \$4,500 due to delay in the hiring of a new Director of Planning Services that hindered the coordination of additional planning administrative services assistance.

***LPS facilities** costs are comprised of expenses associated with board of variance activities, land titles registrations, LPS staff meeting expenses, memberships, subscriptions, mobile devices, office rent and services, internet, postage/courier, telephone and supplies for the Gabriola Island and the Salt Spring Island offices, as well as a portion of the Southern office.

Total expenses in the year related to LPS facilities was \$23,000 (6%) higher than budget due primarily due to:

- A newly signed Gabriola office lease with higher lease costs to Islands Trust from the new landlord.
- Increased lease costs for the Victoria office location due to rising insurance and property tax costs incurred by the landlord and apportioned out to tenants.

Bylaw enforcement costs are comprised of all salaries, benefits, training, and travel costs associated with bylaw enforcement staff or contractors used to cover staff vacancies. Bylaw enforcement expenses were under budget by approximately \$31,000 (8%) due primarily to a vacancy in one Bylaw Enforcement Officer position which was partially offset by overtime costs for other bylaw staff.

ISLANDS TRUST CONSERVANCY (ITC) SERVICES

ITC expenses include costs related to three main areas (outlined below) plus as an allocation of administrative expenses. Total expenses in this area came in higher than budget by approximately \$38,000 (3%).

ITC Board costs are comprised of ITC board meeting expenses, honoraria and training for board members. Board expenses were over budget by approximately \$1,100 (11%) due to higher than anticipated board meeting expenditures for in person meetings.

Conservancy Staff & Associated Costs are comprised of ITC communications, ecosystem mapping, ITC legal costs, mobile devices, training, travel, contract services, salaries and benefits for ITC staff. These expenses were over budget by approximately \$33,000 (5%) due to:

- Increased spending in salaries and benefits resulting from staffing overlaps, whereby a temporary staff person brought on to cover another staff leave overlapped with the returning staff to ensure proper handover of work
- Increased legal costs (\$11,000) due to additional property management work performed due to receipt of grant funding.

These areas of overspending were partially offset by underspending in Ecosystem mapping (18,000).

Property Management costs are comprised of property management and conservation planning and land securement. These expenses were under budget by approximately \$24,000 (1%) due to:

- Contractor illness preventing progress on climate change initiatives (\$8,000)
- Lower surveying costs due to better contract pricing secured than anticipated (\$4,000)
- Deferral of property restoration work into fiscal 2024 due to shortage of labor for fence-building (\$7,000)
- Lower costs than anticipated for First Nations review of the new ITC management plan (\$5,000)

GENERAL ADMINISTRATION

General administrative expenditures include costs related to six main areas (outlined below) plus an allocation of administrative expenses. General administration costs are allocated to the three functional areas of the Trust (Council, LTC Services, and ITC) based on their relative dollar magnitudes for the period.

Senior Management costs are comprised of contract services related to executive functions, electronic data management costs, meeting costs and membership costs, salaries and benefits, mobile devices, training and travel for executive office staff. Executive office expenses were over budget by approximately \$15,000 (3%) due mainly to higher than anticipated wage increases for excluded staff members.

Administrative services costs are comprised of contracted services for financial systems maintenance, Human Resource assistance and payroll processing services. Administrative services expenses were over budget by approximately \$32,000 (7%) due to backfilling of staff on extended leave, where staff on leave are paid 75% of their base salary and the staff backfilling the position is paid 100% base salary.

Office operations costs are comprised of audit fees, bank charges, carbon offset purchases, internet, insurance premiums associated with office contents and operations, office rent and outside services, office supplies and postage, recruitment costs, safety, telephone, organization-wide training, all staff meetings costs and staff recognition expenses. In the 2023 budget, Trust Council also included \$50,000 to secure contracted help to alleviate administrative pressures identified by staff at budget time. Office operations were lower than budget by approximately \$41,000 (12%) due to early departure of the hired worker brought on to address some of the identified pressures, as the worker secured a permanent full-time position elsewhere.

Information Systems costs are comprised of software licensing, third party technical support, computer supplies, mobile devices, and all salaries, benefits, training, and travel costs associated with Information Systems staff. Information systems expenses were over budget by approximately \$82,000 (14%) due to staff not taking their vacation or overtime leave in the year. Purchases of computer supplies have also been high for items such as headsets, mice, cables etc. to accommodate staff requests and new trustees.

***Computer, Furniture and Equipment** spending relates to purchases of hardware, software, furniture and equipment. Total spending in year for this area shows on the presented statements as \$95,000 reflecting computer equipment purchases in the year. This is 22% over budget primarily due to extra purchases of computer equipment for new trustees (approved by Executive Committee) and due to new server installation costs that were not budgeted for.

Amortization expense is an estimation of the use/wear and tear on capital assets in use for Islands Trust and Islands Trust Conservancy operations. Amortization expense was over budget by approximately \$9,000 (5.6%) due to increased capitalized assets associated with the new server installation charges.

CONSOLIDATED EXPENSES BY OBJECT

Public Sector Accounting Standards determine that financial reporting for government entities be reported "by function" (i.e.: service area) in the Statement of Financial Operations as discussed in the earlier section of this report. Expenses "by object" (i.e.: type) are reported in accompanying financial statements notes. For purposes of great transparency and understanding of Islands Trust financial results, March 31, 2023 expenses by object are shown as follows:

Description	Approved Budget	31-Mar-23	\$ over (under) budget	% over (under) budget
Staff Salaries and benefits	5,461,756	5,221,816	(239,940)	-4.4%
Office Operations	953,450	914,474	(38,976)	-4.1%
Council and trustee costs	882,054	907,609	25,555	2.9%
Elections	141,000	157,631	16,631	11.8%
Programs	1,244,230	835,059	(409,171)	-32.9%
Legal	232,980	358,911	125,931	54.1%
Travel/training and recruitment	141,187	155,198	14,011	9.9%
Amortization	168,000	177,337	9,337	5.6%
Total *	9,224,657	8,728,034	(496,623)	-5.4%
<u>Capital Purchases</u>	<u>77,700</u>	<u>83,248</u>	<u>5,548</u>	<u>7.1%</u>
Total including Capital	9,302,357	8,811,282	(491,075)	-5.3%

**Excludes \$77,700 in budgeted capital spending to align with March 31, 2023 actuals which capitalizes (removes) \$83,248 of actual capital spending from expenses*

Staff salaries and benefits were under budget due to vacancies in the year primarily in planning services and trust areas services

Office operations spending was above budget due primarily to increased spending on software support and licensing, increased office rent, and increased telecommunications charges. After capitalization of asset purchases which removes spending from this line and capitalizes it in accordance with generally accepted accounting principles, the expense reports at 7.1% of budget.

Council and trustee costs were over budget primarily due to high costs incurred for in person Trust Council meetings and increased insurance costs for Trust Council.

Elections were over budget due to higher costs than anticipated for staffing of election stations.

Programs were under budget due mainly to projects not progressing as planned as a result of new information, shifting timelines, or delays. Primary projects contributing to this significant underspend are: LG Development Approvals Program (work moved to fiscal 2024), Heritage Overlap Mapping (work not proceeding), Governance projects (not spent), ITC ecosystem mapping (deferred), ITC property management plans (delayed), administrative services assistance (not spent), groundwater recharge mapping (delayed), LTC projects (delayed).

Legal expenses were over budget primarily due to high litigation costs for legal actions against LTCs.

Traveling/training and recruitment costs were over budget primarily due to increased recruitment costs associated with staff turnover, increased training costs for the senior management, increased travel costs for the new Executive Committee due to location of elected vice-chairs, and increased travel costs for bylaw staff and the Director, Planning Services.

Amortization was over budget due to more spending on capital assets in the year driving up this expense from what was anticipated in the budget.

Capital spending was over budget due primarily due to unplanned purchases of computers for new trustees, and new server installation costs.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None. Draft financials reflect expenditures within approved budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None. Managing staff at Islands Trust and Islands Trust Conservancy will continue to receive financial reporting on their respective areas of oversight throughout the year.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

Islands Trust Policy 2.3.3 Financial Planning Committee Terms of Reference
Bylaw No. 185, Islands Trust Financial Plan Bylaw, 2022-2023

5 ATTACHMENT(S):

Draft March 31, 2023 Financial Results

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee forward the Draft March 31, 2023 Financial Results to Trust Council for approval.

Alternative: None.

Prepared By: Nancy Roggers, Finance Officer
Director, Administrative Services

Islands Trust

Statement of Financial Position
For The Year Ending March 31, 2023

	<u>2023</u>	<u>2022</u>	<i>\$ change</i>
Financial assets:			
Cash and cash equivalents	1,750,989	3,558,169	<i>(1,807,180)</i>
Accounts receivable	301,396	192,573	<i>108,823</i>
Investments	2,670,862	1,202,607	<i>1,468,255</i>
	<u>4,723,247</u>	<u>4,953,349</u>	<u><i>(230,102)</i></u>
Liabilities:			
Accounts payable and accrued liabilities	834,277	900,909	<i>(66,632)</i>
Wages and benefits payable	1,300,305	1,450,243	<i>(149,938)</i>
Deferred revenue	264,364	203,591	<i>60,773</i>
Employee benefit obligations	233,999	281,672	<i>(47,673)</i>
Obligations under capital leases	43,837	18,071	<i>25,766</i>
Cost recovery deposits	2,996	763	<i>2,233</i>
	<u>2,679,778</u>	<u>2,855,249</u>	<u><i>(175,471)</i></u>
Net financial assets	2,043,469	2,098,100	<i>(54,631)</i>
Non-financial assets:			
Tangible capital assets	237,000	286,953	<i>(49,953)</i>
Prepaid expenses	208,318	178,779	<i>29,539</i>
	<u>445,318</u>	<u>465,732</u>	<u><i>(20,414)</i></u>
Accumulated surplus	<u>2,488,787</u>	<u>2,563,832</u>	<u><i>(75,045)</i></u>

Islands Trust

Detailed Statement of Financial Operations

For The Year Ending March 31, 2023

Description	Approved Budget	March 31, 2023 Actuals	% of Budget		% over (under) budget
			Received/Spent	Over (Under) budget \$	
Revenue:					
Fees & Sales	264,724	199,570	75%	(65,154)	-25%
Provincial Grant - Unrestricted	180,000	228,000	127%	48,000	27%
Federal and Provincial Grants - Restricted	580,500	445,642	77%	(134,858)	-23%
General Property Tax Levy - All LTAs	7,309,863	7,309,863	100%	-	0%
Special Property Tax Requisition - SSI LTA	60,000	60,000	100%	-	0%
Municipal Property Tax Levy - BIM	323,769	323,769	100%	0	0%
Investment Income + Other Income	20,001	169,393	847%	149,392	747%
Total Revenue	8,738,857	8,736,237	100%	(2,620)	0%
Trust Council Services					
Trust Council	461,562	498,132	108%	36,570	8%
Executive Committee	107,872	114,749	106%	6,877	6%
Trust Area Services	621,118	549,628	88%	(71,490)	-12%
General Admin Allocation - 17%	339,254	362,343	107%	23,089	7%
Total Trust Council Services	1,529,806	1,524,852	100%	(4,954)	0%
Local Trust Committee Services					
Local Trust Committees	767,575	876,734	114%	109,159	14%
Projects (Note 1)	804,800	502,944	62%	(301,856)	-38%
Planning Staff	2,858,258	2,553,895	89%	(304,363)	-11%
LPS Facilities	361,889	385,113	106%	23,224	6%
Bylaw Enforcement	371,410	340,603	92%	(30,807)	-8%
General Admin Allocation - 69%	1,471,492	1,452,254	99%	(19,238)	-1%
Total Local Trust Committee Services	6,635,424	6,111,543	92%	(523,881)	-8%
Islands Trust Conservancy Services					
Board	9,625	10,725	111%	1,100	11%
Conservancy Staff and Associated Costs	710,999	744,178	105%	33,179	5%
Property Management	164,330	140,803	86%	(23,527)	-14%
General Admin Allocation - 13%	252,173	279,182	111%	27,009	11%
Total Trust Conservancy	1,137,127	1,174,887	103%	37,760	3%
General Admin					
Senior Management	432,337	446,895	103%	14,558	3%
Administrative Services	493,394	525,488	107%	32,094	7%
Office Operations	326,855	286,315	88%	(40,540)	-12%
Information Systems	564,634	646,359	114%	81,725	14%
Computer/Furniture & Equipment	77,700	94,635	122%	16,935	22%
Computer/Furniture & Equipment - Capitalised	-	(83,248)			
Amortization Expense	168,000	177,337	106%	9,337	6%
General Admin Recovery	(2,062,920)	(2,093,780)	101%	(30,860)	1%
Net General Administration	-	0			
Total Expenses	9,302,357	8,811,282	95%	(491,075)	-5%
Surplus (Deficit) to date	(563,500)	(75,045)			
(Increase) decrease in amounts Invested in Capital Assets	168,000	75,719			
Transfer (to) from General Surplus Fund	183,500	60,681			
Transfer (to) from LTC Project Specific Reserve Fund	143,600	(3,116)			
Transfer (to) from Special Tax Requisition Fund	68,400	56,892			
Unallocated Annual Surplus (Deficit)	-	(0)			

Islands Trust
Detailed Statement of Operations
For The Year Ending March 31, 2023

Description	Approved Budget	March 31, 2023 Actuals	% of Budget Received/Spent	Over (Under) budget \$	% over (under) budget
	Approved Budget	March 31, 2023 Actuals	% of Budget Received/Spent	\$ budget not yet received/spent	% of budget received/spent
Note 1: LTC & Planning Services Project Spending					
LTC Projects funded by Reserve Fund	(8,214)	-	0%	8,214	0%
Denman Farm Plan	7,314	12,948	177%	5,634	177%
Denman Housing Review	13,500	7,161	53%	(6,339)	53%
Gabriola Housing Options & Impacts	1,500	-	0%	(1,500)	0%
Gabriola Ecological Protection Zone	1,500	1,008	67%	(492)	67%
Galiano Groundwater Strategy Implementation	2,000	156	8%	(1,844)	8%
Galiano Crown Lot Rezoning	1,000	2,141	214%	1,141	214%
Gambier OCP/LUB	17,000	19,920	117%	2,920	117%
Gambier Keats Island Shoreline Protection Review	3,500	264	8%	(3,236)	8%
Hornby OCP Amendment Review	15,000	13,596	91%	(1,404)	91%
Lasqueti OCP/LUB	3,000	-	0%	(3,000)	0%
Mayne OCP/LUB	1,000	2,146	215%	1,146	215%
Mayne Island Housing	1,500	1,458	97%	(42)	97%
North Pender OCP/LUB	2,000	793	40%	(1,207)	40%
North Pender Groundwater Strategy Implementation	2,000	391	20%	(1,609)	20%
Salt Spring Ganges Village Area Planning	19,000	16,424	86%	(2,576)	86%
Salt Spring Protect CDF Ecosystem	32,000	19,127	60%	(12,873)	60%
Salt Spring Housing Challenges & Solutions	25,000	3,570	14%	(21,430)	14%
SSIWPA - Coordination	60,000	59,599	99%	(401)	99%
SSIWPA - Weston Lake	30,000	27,294	91%	(2,706)	91%
SSIWPA - Water Protection Plan	38,400	30,000	78%	(8,400)	78%
Saturna OCP/LUB	1,000	1,284	128%	284	128%
South Pender OCP Minor Amendments	1,500	3,946	263%	2,446	263%
South Pender LUB Minor Amendments	1,500	4,099	273%	2,599	273%
Housing Initiatives	5,000	5,000	100%	-	100%
Groundwater Recharge Mapping	86,800	72,915	84%	(13,886)	84%
Regional Freshwater Management Strategy	-	3,851	100%	3,851	100%
Heritage Overlay Mapping	74,000	-	0%	(74,000)	0%
LG Development Approvals Program	367,000	193,857	53%	(173,143)	53%
Total LTC Project Spending	804,800	502,944		(301,856)	62%



BRIEFING

To: Financial Planning Committee **For the Meeting of:** May 31, 2023
From: Director, Administrative Services **Date Prepared:** May 3, 2023
SUBJECT: Budget Impact of Approved 2023/24 BCGEU Wage Increases

PURPOSE:

To inform Executive Committee (EC) of potential for overspending in individual general ledger (GL) accounts for the fiscal 2023/24 year, in accordance with Islands Trust Council [Policy 6.5.2 Budget Control and Adjustment Authority](#).

BACKGROUND:

In early March 2023, Trust Council approved its 2023/24 budget which included an estimate of BCGEU staff wage increases at 6.125%. The province has since announced the actual wage increase for BCGEU staff at 6.75%, which is 0.63% higher than what the Islands Trust salaries budget contemplated.

The difference in these rates equates to an approximate increase in the salaries budget of \$30,000 for Islands Trust GEU staff. This is not significant against the Islands Trust total approved salaries budget of \$6.3M, and is expected to be offset by underspending in salaries due to delayed hiring of newly approved staff positions.

Trust Council Policy 6.5.2 *Budget Control and Adjustment Authority* Section D. 3 reads:

“When an actual or anticipated overexpenditure (whichever comes first) exceeds \$20,000 for a project or general ledger budget line within an Operational Unit, management must inform the Executive Committee at the next scheduled Executive Committee meeting, and continue to provide reports on the status of the project or budget line to the Executive Committee on a monthly basis, or as frequently as requested by the Executive Committee. Upon being informed of an overexpenditure, the Executive Committee will decide what initial corrective action will be taken, if any. Copies of all Executive Committee notifications and reports on overexpenditures will be copied to members of the Financial Planning Committee.”

The increase of \$30,000 will be allocated amongst the various business units at Islands Trust and as such, individual general ledger (GL) line items for staff salaries by department will not meet the policy minimum overspend of a \$20,000 per GL line for reporting to EC/FPC. However, staff felt it prudent to communicate the newly approved GEU rates and budget impact to trustees, to support trustee’s understanding of how these approved wage increases might impact the organization.

Approved increases for management staff occur later in the fiscal year and will be assessed at that time, with reporting to EC/FPC as required.

ATTACHMENT(S):

1. None.

FOLLOW-UP:

A copy of this Executive Committee notification report has been provided to members of the Financial Planning Committee in accordance with Policy 6.5.2 s3. Further direction may be received from Executive Committee.

Prepared By:

Director, Administrative Services

Reviewed By/Date:

Russ Hotsenpiller, Chief Administrative Officer/



BRIEFING

To: Financial Planning Committee **For the Meeting of:** May 31, 2023
From: Director, Administrative Services **Date Prepared:** May 25, 2023
SUBJECT: 2024-25 Budget Cycle Timelines

PURPOSE:

To provide FPC with an overview of the usual budget cycle timelines for review and discussion.

BACKGROUND:

The Islands Trust budget cycle timeline has historically been reviewed and approved by FPC in August of each year, immediately prior to Trust Council setting and approving the budget assumptions and principles to be applied in the development of the draft budget in September.

During the most recent budget cycle, current FPC expressed a desire to review and potentially revise budget cycle timelines to better facilitate their work during the budget drafting process. Much of the previous budget cycle pressures may be attributed to elections interrupting usual process, resulting in a later than usual start to the budget cycle, and new trustees still in orientation mode during their first budget cycle of the term. However, staff committed to reviewing the budget cycle timelines with FPC in May instead of August to ensure feedback from the Committee can be received and incorporated into the upcoming 2024-25 budget cycle as needed.

The attached draft 2024-25 budget cycle timeline reflects historical norms for workflows during the Islands Trust budget cycle, and is presented for FPC discussion and feedback.

ATTACHMENT(S):

1. Draft Budget Cycle Timelines 2024-25

FOLLOW-UP: As directed by the Committee.

Prepared By: Director, Administrative Services
Reviewed By/Date: Chief Administrative Officer/May 26, 2023

**ISLANDS TRUST
BUDGET CYCLE TIMELINE**

Fiscal Year: 2024/25

Date	Activity
May - June 2023	Council Committees begin discussions of upcoming fiscal year priorities and work program planning with staff and give direction to staff for business case development.
May 31, 2023	Financial Planning Committee meeting Budget Cycle Timeline: FPC reviews and discusses (potentially approves) the budget cycle timelines.
July-Aug, 2023	LTCs (+ SSIWPA) start discussion of upcoming fiscal year priorities and work programs with planning staff, including project proposals for consideration as 'additional operations' (ie: potential special requisitions)
August 30, 2023	Financial Planning Committee meeting Budget Cycle Timeline: FPC reviews and approves the Budget cycle timeline, if not approved in May. BAP: FPC reviews first draft of Budget Assumptions and Principles (BAP) Public Consultation: FPC discussion of planned changes/improvements to the budget Public Consultation process.
1st week of Sept 2023	Departmental budget templates deployed: Budget documents distributed to all Managers for development of departmental budgets. Budget Requests Development: Managers develop and review budget requests with staff for input and feedback into the budget process.
Sept 26-28, 2023	Trust Council meeting BAP: Trust Council reviews and approves the BAP. General discussions at this meeting may help inform budget decisions.
Oct 18, 2023	Financial Planning Committee meeting BAP: FPC reviews updated BAP. Budget Draft 1, V1: FPC reviews and discusses Draft 1, Version 1 of the budget. Budget Requests: FPC reviews business cases for budget funding requests and makes recommendations to staff on which requests to include/remove from the draft budget.
3 weeks	
Oct 18 - Nov 1, 2023	Budget Draft 1, V2: Staff make revisions to budget draft as directed by FPC. Continued research and planning to improve estimates for proposed operational changes. LTC Project Specific Reserve Fund: Planning staff develop budget proposals on behalf of LTCs for estimates of LTC Specific Reserve Fund requirements. Special Tax Requisitions: Preparation for potential local tax requisitions for individual LTCs (see policy 6.3.ii Special Property Tax Requisition).
Nov 8, 2023	Financial Planning Committee meeting BAP: FPC reviews updated BAP to be forwarded to December Trust Council. Budget Requests: FPC reviews amended and new budget request business cases to be forwarded to Trust Council in December. Budget Draft 1, V2: FPC reviews Draft 1, Version 2 of the budget to be forwarded to Trust Council in December. LTC + ITCB requests: FPC reviews any specific requests coming from LTCs and ITCB as part of the budget draft review.
Dec 5-7, 2023	Trust Council meeting BAP: Trust Council endorses Budget Assumptions and Principles. Budget Draft 1, V2: Trust Council discusses and debates draft budget, and provides direction for changes as determined necessary. Public Consultation: Trust Council endorses draft budget (as amended, if needed) for public consultation, and approves the Budget consultation process.
January 2024	Financial Planning Committee meeting (assumed) Budget Draft 2, V1: FPC reviews and discusses Draft 2, V1 of the budget which will be amended to reflect Trust Council's directions, as well as refined operational budgets to adjust for new and updated data. Other Agency Consultation: Consultation with Bowen Island Municipality and Trust Conservancy Board continue. Public Consultation on draft budget is conducted. Special Tax Requisitions: LTCs seeking funding for "additional operations" from a special tax requisition pass a resolution to do so.
February 2024	Financial Planning Committee meeting (assumed) Special Tax Requisitions: LTCs proposing a special tax requisition hold public consultation meetings. Public Consultation Review: FPC reviews results and feedback from the budget public consultation, and makes recommendations to budget changes from these results, as needed. Special Tax Requisitions: FPC makes recommendations on special requisitions. Budget Draft 2, V2: FPC reviews Draft 2, Version 2 of the budget to be forwarded to Trust Council for their March meeting
March 2024	Trust Council (assumed) Budget Approval: Trust Council approves the Budget along with the current year Property Tax Requisition, Bowen Municipality Tax Levy and LTC special tax requisitions. Bylaw Approvals: Trust Council approves Financial Plan bylaw and Revenue Anticipation bylaw. Minister's Package: Staff prepare a report on the budget for the Minister, and submit this report along with the approved financial bylaws for consideration by the Minister. Communications: Approved budget information is posted to the Islands Trust website and a news release rolled out.



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** May 31, 2023
From: Director, Administrative Services **Date Prepared:** May 18, 2023
SUBJECT: **2022/23 ANNUAL REPORT – APPROVAL OF FINANCIAL PLANNING COMMITTEE SECTION**

RECOMMENDATION:

That Financial Planning Committee approve the attached text for inclusion in the 2022/23 Annual Report for approval by Trust Council and submission to the Minister of Municipal Affairs.

1 PURPOSE: Committees are provided with their draft sections of the annual report for review and approval so that Trust Council is able to easily approve its annual report in June 2023 without further editing from staff or trustees at the Trust Council meeting.

2 BACKGROUND: Preparation of the Islands Trust Annual Report is undertaken by Trust Area Services Communications staff, reporting to the Executive Committee and consistent with [Trust Council Policy 6.10.1 \(Annual Report\)](#). The Executive Committee approved the format and outline of the 2022/23 Annual Report at its meeting on February 22, 2023.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: Under Trust Council's Policy, all Local Trust Committees and Council Committees are expected to review and approve their sections at regular meetings in order to have the report approved by Trust Council at its June meeting.

FINANCIAL: None.

POLICY: No implications for existing policy.

IMPLEMENTATION/COMMUNICATIONS: The process for development of the Annual Report is outlined in [Trust Council Policy 6.10.1 \(Annual Report\)](#). Once each committee has approved its section, staff will create a draft Annual Report for review by the Executive Committee on June 14, 2023, and consideration by Trust Council in June. Upon approval by Trust Council, staff will send the Annual Report to the Minister of Municipal Affairs and circulate it as indicated in Trust Council's policy.

FIRST NATIONS: Information about activities with First Nations may be included within committee reports.

OTHER: None.

4 RELEVANT POLICY:

5 ATTACHMENT:

- Financial Planning Committee input to Annual Report (draft)
-

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee approve the attached text for inclusion in the 2022/23 Annual Report for approval by Trust Council and submission to the Minister of Municipal Affairs.

Alternative:

That Financial Planning Committee approve the attached text as amended for inclusion in the 2022/23 Annual Report for approval by Trust Council and submission to the Minister of Minister of Municipal Affairs.

Prepared By:

Director, Administrative Services

Reviewed By/Date:

Financial Planning Committee

Role

The Financial Planning Committee (FPC) is responsible for facilitating Trust Council's involvement in the annual budget process. This work includes aligning the annual strategic planning process with the annual budget process; monitoring, reviewing, and making recommendations on the organization's financial management, budget, and financial practices to Trust Council; and reviewing audit reports and recommendations. The committee also provides advice to the Islands Trust Conservancy Board on financial services and provides support as needed.

Members

The FPC consists of 10 trustees from across the Islands Trust Area:

- One member from the Trust Programs Committee (the chair, unless otherwise delegated)
- One member from the Regional Planning Committee (the chair, unless otherwise delegated)
- The four members of the Executive Committee
- One member from the Trust Conservancy Board
- Three other trustees. The chair of the committee is elected from amongst the other trustees

Members currently serving for the 2022–2026 term:

Joe Bernardo*, Gambier Island, Chair

Mairead Boland*, Saturna Island, Vice-Chair

Tobi Elliott, Gabriola Island, Executive Committee

Kristina Evans*, South Pender Island, Trust Programs Committee Chair

David Graham*, Denman Island

Peter Luckham, Thetis Island, Executive Committee, Chair Trust Council

David Maude, Mayne Island, Executive Committee

Laura Patrick*, Salt Spring Island, Regional Planning Committee Chair

Tim Peterson, Lasqueti Island, Executive Committee

Susan Yates*, Gabriola Island, Island Trust Conservancy Board

Members who served for the 2018–2022 term:

Peter Grove*, Salt Spring Island, Chair

Paul Brent*, Saturna Island, Vice-Chair

Deb Morrison*, North Pender Island, Trust Programs Committee (stepped down October 28, 2021)

Tim Peterson*, Lasqueti Island, Trust Programs Committee (October 29, 2021 - end of term)

Laura Busheikin*, Denman Island, Regional Planning Committee

Peter Luckham, Thetis Island, Executive Committee, Chair Trust Council

Sue Ellen Fast, Bowen Island, Executive Committee

Laura Patrick, Salt Spring Island, Executive Committee

Dan Rogers, Gambier Island, Executive Committee

Robin Williams, Islands Trust Conservancy Board (term ended December 31, 2019)

Kate-Louise Stamford*, Islands Trust Conservancy Board (appointed February 13, 2020)

Tahirih Rockafella*, Galiano Island

* indicates a current or previous member of the Audit Committee

The Audit Committee is a sub-committee of the Financial Planning Committee and generally includes all members except the four Executive Committee members. The Audit Committee convenes twice annually, at a minimum, to review the year-end audit work program, the audit findings report, and any management letter recommendations with the external auditors, and to determine follow-up actions if required.

2022-23 Highlights

As part of its ongoing responsibilities, FPC oversaw, through its Audit Committee, the completion of the annual financial statement audit for Islands Trust and Islands Trust Conservancy for the fiscal year ending March 31, 2022. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2023, financial statement audit. In addition to overseeing this legislated audit of the annual financial statements, FPC also directed and reviewed internally developed allocated financial statements, which provide an estimate of revenue and cost allocations by local trust area.

FPC facilitated Trust Council's development of the 2023/24 budget. The committee included recommendations on the amount to draw from surplus funds, the amount of the property tax requisition to Trust Area landowners, and the Bowen Island municipal tax levy based on Trust Council Policy. As part of the budget development process, FPC reviewed the feasibility of completing all proposed projects in terms of available staff resources, and considered options to fund specific local trust committee projects via special tax requisitions. The Salt Spring Island Local Trust Committee requested an additional special property tax requisition to coordinate the Salt Spring Island Watershed Protection Alliance, which Trust Council approved upon recommendation from FPC.

In response to public comments from previous budget surveys, FPC undertook a review of the annual timing of Islands Trust draft budget consultation to understand if alternative timing was possible. After the election, the new term FPC chose not to undertake a public consultation on the draft 2023/24 budget. In an effort to increase public awareness of Trust activities and understanding of Trust financials, FPC once again supported the creation of a tax notice insert that is circulated by the Province of BC to all Trust Area taxpayers with their rural tax notice.

FPC reviewed Trust Council's policies on Reserves and Surplus, on Special Property Tax Requisitions, and on Trustee Remuneration, and made recommendations for amendments. These amended policies will proceed to Trust Council for their approval once the work is complete.

FPC provided quarterly financial updates on actual results, and second and third quarter financial forecasts to the Trust Council for information and approval as part of their cyclical financial monitoring and reporting responsibilities.

At the request of the Governance Committee, FPC formed a working group to assist in the development of a corporate planning process for the Islands Trust. This work is in response to a recommendation from the 2022 governance report that was received by Trust Council at the conclusion of their external governance review project.

Following the election, the new term Financial Planning Committee received an orientation to the Committee's terms of reference and work program.



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** May 31, 2023
From: David Marlor, Director,
Legislative Services **Date Prepared:** May 17, 2023
SUBJECT: Appointment to the Audit Committee

RECOMMENDATION:

That Financial Planning Committee appoint Trustee Harris to the Audit Committee for the 2022 to 2026 term.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Appointments are consistent with Trust Council policy, and consistent with past practice of all trustees on the Financial Planning Committee (FPC), except the Executive Committee members, being on the Audit Committee.

1 PURPOSE:

To appoint Trustee Harris to the Audit Committee.

2 BACKGROUND:

Section 4 of Trust Council Policy 2.3.1 [Council Committee System and Terms of Reference] states that:

The Finance Committee will appoint from amongst its members, but excluding members of the Executive Committee and trustees who are not members of Trust Council, an Annual Audit Committee for the purposes of the annual audit and will report directly to Council by:

- 1. reviewing audit reports;*
- 2. reviewing with management the management letter recommendations and determining necessary actions;*
- 3. monitoring the implementation of the auditor's recommendations;*
- 4. recommending an accounting firm to Trust Council, each year, to conduct the annual audit;*
- 5. reviewing with the auditors the year end audit (and interim audit) work program.*

Past practice has been that all members of FPC, except those on the Executive Committee, form the Annual Audit Committee.

At the time the FPC originally appointed the Annual Audit Committee on January 18, 2023, Policy 2.3.1 did not have provision for a Governance Committee representative on the FPC. Trust Council amended Policy 2.3.1 on March 7, 2023, to provide a seat on the FPC to the Governance Committee. Subsequently, the Chair of the Governance Committee delegated Trustee Harris as that representative.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

There are no organizational implications of the recommendation.

FINANCIAL:

There are no financial implications of the recommendation.

POLICY:

The recommendation is consistent with Trust Council Policy 2.3.1 Council Committee System and Terms of Reference.

IMPLEMENTATION/COMMUNICATIONS:

Trustees who are not members of FPC and the public would be advised of the membership of the Annual Audit Committee through the minutes of the Financial Planning Committee.

FIRST NATIONS:

There are no First Nations implications of the recommendation.

OTHER:

There are no other implications of the recommendation.

4 RELEVANT POLICY:

[Trust Council Policy 2.3.1 Council Committee System and Terms of Reference.](#)

5 ATTACHMENT:

None.

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee appoint Trustee Harris to the Audit Committee for the 2022 to 2026 term.

Alternative:

None.

Prepared By: Robert Barlow, Legislative Services Clerk
Reviewed By/Date: Director, Administrative Services/May 18, 2023



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** May 31, 2023
From: Director, Administrative Services **Date Prepared:** May 16, 2023
SUBJECT: Work Program Update

RECOMMENDATION:

That Financial Planning Committee approve the proposed Work Program as presented, and forward it to Trust Council for approval.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: FPC’s Work Program should reflect the annual required activities of the Committee in addition to any directed special projects or other work.

1 PURPOSE:

To provide recommendations for amendments to Financial Planning Committee’s Work Program – Current Projects.

2 BACKGROUND:

FPC has discretion to accept these recommended priorities or amend them to reflect alternative priorities.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY:

[Trust Council Policy 6.2.1 \(Priority Setting/Review Guidelines\)](#)

[Trust Council Policy 6.7.1 \(Work Program, Follow-Up Action List and Priorities Report\)](#)

5 ATTACHMENTS:

1. Current FPC Work Program – Current Projects
 2. Proposed FPC Work Program – Current Projects
-

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee approve the proposed Work Program as presented, and forward it to Trust Council for approval.

Alternative:

That Financial Planning Committee approve the proposed Work Program as amended, and forward it to Trust Council for approval.

Prepared By: Robert Barlow, Legislative Services Clerk

Reviewed By/Date: Director Administrative Services/May 16, 2023

Current Work Program

Active Projects Report

Financial Planning Committee

1. Finalize 2023/24 budget and 5-year financial plan bylaw

Responsible

Dates

Prepare report to accompany Trust Council's 5-year financial plan bylaw submission to the Minister of Municipal Affairs for approval.

Rec'd: 08-Mar-2023
Target: 31-Mar-2023

2. Annual Financial Statements & Audits: Islands Trust and Islands Trust Conservancy

Responsible

Dates

Underway:

- Audit planning with the appointed auditors, KPMG LLP.
- Audit Committee meeting with KPMG on February 14, 2023.

Rec'd: 08-Mar-2023
Target: 31-May-2023

Upcoming:

- Preparation of Islands Trust and Islands Trust Conservancy financial statements and audit packages.
- Audit fieldwork scheduled for May 2023.
- Audit Committee meeting on May 31, 2023 with KPMG LLP to present audit findings.

3. Financial Policy Review

Responsible

Dates

Continued review of select Trust Council financial policies based on feedback from initial reviews performed by the outgoing FPC :

Julia Mobbs

Rec'd: 16-Feb-2022
Target: 06-Sep-2023

- 6.5.2 Budget Control and Adjustment Authority (EC directed)
- 6.3.2 Special Property Tax Requisitions (TC directed)
- 7.2.1 Trustee Remuneration (FPC directed)

Proposed Work Program

Active Projects Report

Financial Planning Committee

1. <i>Annual Financial Statements & Audits: Islands Trust and Islands Trust Conservancy</i>	Responsible	Dates
<ul style="list-style-type: none"> ·Audit planning with the appointed auditors, KPMG LLP - Complete ·Audit Committee meeting with KPMG on February 14, 2023 - Complete ·Preparation of Islands Trust and Islands Trust Conservancy financial statements and audit packages - Underway ·Audit fieldwork scheduled for July 2023 - Upcoming ·Audit Committee meeting in August 2023 with KPMG LLP to present audit findings - Upcoming 	Julia Mobbs Kate Emmings Nancy Rogers	Rec'd: 08-Mar-2023 Target: 27-Sep-2023
2. <i>Draft Budget Assumptions, Principles, Guidelines</i>	Responsible	Dates
Draft Budget 2024/25 Assumptions, Principles, Guidelines for Trust Council's review and approval.	Julia Mobbs	Rec'd: 28-Jun-2023 Target: 27-Sep-2023
3. <i>Financial Policy Review</i>	Responsible	Dates
Continued review of select Trust Council financial policies based on feedback from initial reviews performed by the outgoing FPC : <ul style="list-style-type: none"> ·6.3.2 Special Property Tax Requisitions (TC directed) ·6.5.2 Budget Control and Adjustment Authority (EC directed) ·7.2.1 Trustee Remuneration (FPC directed) 	Julia Mobbs	Rec'd: 16-Feb-2022 Target: 27-Sep-2023